



UNDERGROUND STORAGE TANK FUND BOARD MEETING

Meeting. The Underground Storage Tank (UST) Fund Board held its annual strategic planning session on July 18, 2016, at the Iowa Arboretum Education Center near Madrid, Iowa. At its annual planning session, the Board reviews the UST Program's history, progress over the past year, and establishes goals for the upcoming year. The Board took the following action:

Small Loss Portfolio Transfer. The Board voted to move forward with a Loss Portfolio Transfer (LPT) that involves up to 11 contaminated UST sites where the Petroleum Marketers Management Insurance Company (PMMIC) and the Board both have open claims (shared liability). An LPT involves the Board transferring its claim liabilities to another entity (in this case, PMMIC) in exchange for an agreed upon amount of money from the Board. The Board's decision provides that the party responsible for the site (an owner or operator) would be allowed to not participate in the LPT. If the responsible party elects not to participate, that site would not be included in the LPT and the UST Program and the PMMIC would continue to have shared monetary responsibility for cleanup expenditures.

Large Loss Portfolio Transfer. The Board directed the Program Administrator (AON, Inc.) to develop a comprehensive LPT proposal for all remaining UST Program sites that are suitable for liability transfer. At this time, the Board has approximately 280 active UST cleanup sites where the liability could be transferred to another entity in exchange for money from the UST Program fund balance. If this type of large LPT does occur, the UST Board would still have approximately 120 sites where cleanup expenditure liability would remain a state responsibility. The type of contaminated sites that would remain a state liability would include sites that are near completion, sites that appear to have little chance of progressing, and sites that are near the \$1.0 million per-site liability cap.

As part of its direction to the Program Administrator, the Board directed that all sites determined to be proper for a large LPT would be required to participate and would not be given the opportunity to have their site remain a liability of the state program. Once the Program Administrator provides an acceptable large LPT concept, the Board intends to publicly bid the LPT at a later date. The decisions made by the Board on the large LPT are instructions to staff and are subject to review and modification at future meetings.

Administrative Actions.

- The Board was provided an update by the Attorney General's Office on the status of the contract extension with AON, Inc.
- Approved the FY 2017 meeting schedule
- Approved the FY 2017 budget
- Approved program billings
- Approved claim payment authority modifications for specific UST sites

Next Meeting. The next meeting of the Board is scheduled for August 25, 2016.

STAFF CONTACT: Jeff Robinson (515-281-4614) jeff.robinson@legis.iowa.gov